

not to try to wait out Sharon's government until the next election; they may lose more than they gain.

As an original cosponsor of the resolution, I want to commend and thank Mr. HYDE and Mr. LANTOS, the Chairman and the Ranking Minority Member on the House International Relations Committee, for their dedication and effort in getting this bill before the House today.

Mr. CANTOR. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Illinois (Mr. HYDE) that the House suspend the rules and agree to the resolution, H. Res. 34, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. CANTOR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

SOCIAL SECURITY AND MEDICARE LOCK-BOX ACT OF 2001

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2) to establish a procedure to safeguard the combined surpluses of the Social Security and Medicare hospital insurance trust funds, as amended.

The Clerk read as follows:

H.R. 2

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security and Medicare Lock-Box Act of 2001".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Balanced Budget Act of 1997 and strong economic growth have ended decades of deficit spending;

(2) the Government is able to meet its current obligations without using the social security and medicare surpluses;

(3) fiscal pressures will mount as an aging population increases the Government's obligations to provide retirement income and health services;

(4) social security and medicare hospital insurance surpluses should be used to reduce the debt held by the public until legislation is enacted that reforms social security and medicare;

(5) preserving the social security and medicare hospital insurance surpluses would restore confidence in the long-term financial integrity of social security and medicare; and

(6) strengthening the Government's fiscal position through debt reduction would increase national savings, promote economic growth, and reduce its interest payments.

(b) PURPOSE.—It is the purpose of this Act to—

(1) prevent the surpluses of the social security and medicare hospital insurance trust funds from being used for any purpose other

than providing retirement and health security; and

(2) use such surpluses to pay down the national debt until such time as medicare and social security reform legislation is enacted.

SEC. 3. PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.

(a) PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

"LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL INSURANCE SURPLUSES

"SEC. 316. (a) LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL INSURANCE SURPLUSES.—

"(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—

"(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or an amendment thereto or conference report thereon, that would set forth a surplus for any fiscal year that is less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year.

"(B) EXCEPTION.—(i) Subparagraph (A) shall not apply to the extent that a violation of such subparagraph would result from an assumption in the resolution, amendment, or conference report, as applicable, of an increase in outlays or a decrease in revenue relative to the baseline underlying that resolution for social security reform legislation or medicare reform legislation for any such fiscal year.

"(ii) If a concurrent resolution on the budget, or an amendment thereto or conference report thereon, would be in violation of subparagraph (A) because of an assumption of an increase in outlays or a decrease in revenue relative to the baseline underlying that resolution for social security reform legislation or medicare reform legislation for any such fiscal year, then that resolution shall include a statement identifying any such increase in outlays or decrease in revenue.

"(2) SPENDING AND TAX LEGISLATION.—

"(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

"(i) the enactment of that bill or resolution, as reported;

"(ii) the adoption and enactment of that amendment; or

"(iii) the enactment of that bill or resolution in the form recommended in that conference report, would cause the surplus for any fiscal year covered by the most recently agreed to concurrent resolution on the budget to be less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to social security reform legislation or medicare reform legislation."

"(b) ENFORCEMENT.—

"(1) BUDGETARY LEVELS WITH RESPECT TO CONCURRENT RESOLUTIONS ON THE BUDGET.—For purposes of enforcing any point of order under subsection (a)(1), the surplus for any fiscal year shall be—

"(A) the levels set forth in the later of the concurrent resolution on the budget, as reported, or in the conference report on the concurrent resolution on the budget; and

"(B) adjusted to the maximum extent allowable under all procedures that allow budgetary aggregates to be adjusted for legislation that would cause a decrease in the surplus for any fiscal year covered by the concurrent resolution on the budget (other than procedures described in paragraph (2)(A)(ii)).

"(2) CURRENT LEVELS WITH RESPECT TO SPENDING AND TAX LEGISLATION.—

"(A) IN GENERAL.—For purposes of enforcing subsection (a)(2), the current levels of the surplus for any fiscal year shall be—

"(i) calculated using the following assumptions—

"(I) direct spending and revenue levels at the baseline levels underlying the most recently agreed to concurrent resolution on the budget; and

"(II) for the budget year, discretionary spending levels at current law levels and, for outyears, discretionary spending levels at the baseline levels underlying the most recently agreed to concurrent resolution on the budget; and

"(ii) adjusted for changes in the surplus levels set forth in the most recently agreed to concurrent resolution on the budget pursuant to procedures in such resolution that authorize adjustments in budgetary aggregates for updated economic and technical assumptions in the mid-session report of the Director of the Congressional Budget Office. Such revisions shall be included in the first current level report on the congressional budget submitted for publication in the Congressional Record after the release of such mid-session report.

"(B) BUDGETARY TREATMENT.—Outlays (or receipts) for any fiscal year resulting from social security or medicare reform legislation in excess of the amount of outlays (or less than the amount of receipts) for that fiscal year set forth in the most recently agreed to concurrent resolution on the budget or the section 302(a) allocation for such legislation, as applicable, shall not be taken into account for purposes of enforcing any point of order under subsection (a)(2).

"(3) DISCLOSURE OF HI SURPLUS.—For purposes of enforcing any point of order under subsection (a), the surplus of the Federal Hospital Insurance Trust Fund for a fiscal year shall be the levels set forth in the later of the report accompanying the concurrent resolution on the budget (or, in the absence of such a report, placed in the Congressional Record prior to the consideration of such resolution) or in the joint explanatory statement of managers accompanying such resolution.

"(c) ADDITIONAL CONTENT OF REPORTS ACCOMPANYING BUDGET RESOLUTIONS AND OF JOINT EXPLANATORY STATEMENTS.—The report accompanying any concurrent resolution on the budget and the joint explanatory statement accompanying the conference report on each such resolution shall include the levels of the surplus in the budget for each fiscal year set forth in such resolution and of the surplus or deficit in the Federal Hospital Insurance Trust Fund, calculated using the assumptions set forth in subsection (b)(2)(A).

"(d) DEFINITIONS.—As used in this section:

"(1) The term 'medicare reform legislation' means a bill or a joint resolution to save Medicare that includes a provision stating the following: 'For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes medicare reform legislation.'

"(2) The term 'social security reform legislation' means a bill or a joint resolution to save social security that includes a provision stating the following: 'For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes social security reform legislation.'

"(e) WAIVER AND APPEAL.—Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

“(f) EFFECTIVE DATE.—This section shall cease to have any force or effect upon the enactment of social security reform legislation and medicare reform legislation.”.

(b) CONFORMING AMENDMENT.—The item relating to section 316 in the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended to read as follows:

“Sec. 316. Lock-box for social security and hospital insurance surpluses.”.

SEC. 4. PRESIDENTS' BUDGET.

(a) PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.—If the budget of the United States Government submitted by the President under section 1105(a) of title 31, United States Code, recommends an on-budget surplus for any fiscal year that is less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year, then it shall include a detailed proposal for social security reform legislation or medicare reform legislation.

(b) EFFECTIVE DATE.—Subsection (a) shall cease to have any force or effect upon the enactment of social security reform legislation and medicare reform legislation as defined by section 316(d) of the Congressional Budget Act of 1974.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SESSIONS) and the gentleman from Ohio (Mr. HALL) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 2.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in 1999, the Republican Congress led the effort to stop the 30-year raid on the Social Security trust fund. Since then, Republicans have made retirement security a top priority by committing to protect 100 percent of the Social Security surplus.

The Social Security and Medicare Lockbox Act of 2001 continues this effort by once again protecting every cent of the Social Security and Medicare surpluses.

Under this legislation, we will be honest with the American public and exercise fiscal discipline by locking away all the surpluses from the Social Security and Medicare trust funds.

This bill creates a point of order against consideration of any bill, amendment, conference report, or budget resolution that spends any of the Social Security or Part A surpluses.

According to the most recent estimates by the Congressional Budget Office, known as the CBO, \$2.5 trillion of the \$5.6 trillion total surplus over the next 10 years can be attributed to the Social Security trust fund. The Medicare Part A surplus is expected to total \$392 billion.

This means that senior citizens and all Americans can count on the fact that the total of these two surpluses, \$2.88 trillion over 10 years, will be set aside and will be available to them through these crucial programs.

Under the leadership of the gentleman from California (Mr. HERGER), the House overwhelmingly passed a similar Social Security Medicare Lockbox bill last year by a vote of 420–2. Unfortunately, Senate Democrats eventually stalled the bill and we did not achieve consensus. However, the importance of this issue has not gone unnoticed by my colleagues on the other side of the aisle.

In addition to the overwhelming support it received from this House, we also witnessed former Vice President Al Gore's attempts to adopt this issue on his own during the Presidential campaign. Though we are all familiar with the television parities of the campaign season regarding the Lockbox legislation, we must recognize that this is no laughing matter. In fact, it is downright serious.

The irresponsible spending practices of the past must not be allowed to happen again. Senior citizens now and beneficiaries in the future who will depend upon these crucial programs must have assurance and guarantee that the surpluses from the Social Security and Medicare trust funds will be used only toward the strengthening and solvency of these programs.

I am proud of this Republican Congress for its efforts to preserve, protect and modernize Social Security and Medicare. This legislation is simply another step in the long line of efforts to restore fiscal stability to our Nation's retirement systems.

I urge my colleagues to pass this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, I rise in opposition to the bill.

The SPEAKER pro tempore. Is the gentleman from Ohio (Mr. HALL) opposed to the motion to suspend the rules?

Mr. HALL of Ohio. Mr. Speaker, I am not opposed to it.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XV, the gentleman from New York (Mr. NADLER) will control 20 minutes.

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Mr. NADLER. Mr. Speaker, I ask unanimous consent after speaking to yield 15 minutes of the 20 minutes to the gentleman from Ohio (Mr. HALL).

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, the gentleman from Ohio (Mr. HALL) will control 15 minutes.

There was no objection.

Mr. NADLER. Mr. Speaker, I yield myself such time as I may consume. I rise in opposition to this bill. I recognize that I rise in opposition to almost every other Member of this House in both parties. But I think it is time to

speak out against this bill and against the nonsense of the lockbox concept which for political reasons has been embraced by Members of both parties at all levels.

It is not true that for the last 30 years we have raided the Social Security system. The fact is the Social Security system when it has a surplus must invest the money in something. The law has always said that it can invest it only in the safest possible investment, namely, government securities. When you invest money in government securities, you are lending money to the government. You float bonds, you buy securities, you lend money to the government.

When you lend money to the government, what the government does with that money has no bearing on the security of the Social Security trust fund. If the government spends that money on housing or education or prescription drugs for Medicare or bombers or submarines, what is in the Social Security trust fund is an IOU for that amount of money.

If the government spends that money to pay down the national debt, what is in the trust fund of the Social Security system? The same IOU for that amount of money. Whether it is wisest and most prudent to spend a given amount of money borrowed by the government from the Social Security system on bombers or missiles or education or housing or paying down the debt is a budget question and a policy question. But it has nothing to do with Social Security.

To say that if you use the proceeds that you have borrowed from the Social Security system for anything other than paying down debt, you are stealing that money from the Social Security system, makes exactly as much sense as saying that your bank is stealing your money when it lends it out as a mortgage loan or a car loan.

The only thing you care about with respect to the money you put in your bank is that the bank has sufficient money to pay you your interest on time and your principal when due. And the only thing the Social Security trust fund cares about when it lends the government money is that the government has sufficient funds to pay the interest on time and to pay back the bond, the security, when it comes due in 10 or 20 years or whenever it may be. Period.

To say that we must not use the proceeds of borrowing from Social Security and paying it back with interest for anything other than paying down the debt, well, it is a good excuse on the part of some why we cannot have government spending for things that otherwise the people of this country and the people of this Congress might want to spend it on, like prescription drugs or housing or health or education or increasing the defense budget or whatever. And it is a good excuse on the part of others why the tax cut cannot be as big as otherwise other people

might want it to be. But it makes no economic sense.

I oppose this bill because although it may make sense this year and maybe next year and maybe the year after to take the entire surplus of the Social Security system and use it for paying down debt because the national debt of the United States is too big, maybe that is the best use of that money this year and next year, it makes no sense to tie the hands of future Congresses and say that always in the future, in all circumstances, the best economic choice for the United States, the best policy choice, the best budget choice is to use that money only for paying down debt.

As I said before, what you do with money that the government borrows from Social Security before it pays it back with interest is a budget and policy question, but it has nothing to do with the safety of the Social Security system. The only thing that bears on that question is does the government have the money to pay it back on time, and then you get into the questions of economic growth and the health of the economy and so forth. To generate better economic growth, at one time it might be that you should pay down debt and another time it might be that you should invest in public works or whatever. We should not tie the hands of future Congresses.

I felt impelled to start raising this today because the political imperative to fool the American people on this subject which both parties have been subject to the last couple of years ought to start coming to an end.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. NADLER. I yield to the gentleman from Florida.

Mr. SHAW. I just want to point one thing out. The lockbox is released as soon as the Congress saves Social Security. So to say that this is going to bind the hands or tie the hands of future Congresses presupposes that we will not save Social Security, and I will tell the gentleman that with some bipartisan support we will.

Mr. NADLER. Reclaiming my time, the bill by its terms says that the lockbox ends whenever Congress includes in a bill the words "we are saving Social Security," whether we have or not.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill was introduced less than a week ago. The House has held no hearings or committee mark-ups. There has been no chance to discuss or consider alternatives. Bringing up the bill this way under suspension of the rules further limits the opportunity for debate and amendment. Even though the bill enjoys overwhelming bipartisan support, that is no reason to shortcut the process, especially when it deals with subjects as serious as Social Security and Medicare.

A group of Democratic Members, led by the gentleman from Arkansas (Mr.

ROSS) and the gentleman from Kansas (Mr. MOORE) drafted an alternative lockbox bill. Their bill supports the same goals as H.R. 2 but includes even stronger language to ensure the safety of Medicare and Social Security. By bringing up the bill under suspension of the rules, this substitute cannot be offered. Furthermore, debate is limited to only 20 minutes, not the usual hour minimum for most important bills.

H.R. 2 has worthy aims, which is the protection of Social Security and Medicare. However, it does not take Medicare off-budget which would give Medicare the same protection as Social Security. Moreover, it contains a large loophole in the protection it offers against future congressional actions.

Mr. Speaker, we have an opportunity to protect Social Security and Medicare for future generations. As this bill continues through the congressional process, I hope there will be more of a chance to shape the bill to ensure it is the very best that we can do.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Marysville, California (Mr. HERGER), the cosponsor of this legislation.

Mr. HERGER. Mr. Speaker, today we have an opportunity to reiterate this body's clear and unmistakable commitment to protecting 100 percent of the Social Security and Medicare trust fund surpluses. Before this body considers tax relief, before we consider spending priorities, and before we engage in floor debate on even a single issue dealing with the Federal budget, we are here to put the protection of Social Security and Medicare first. Since the beginning of the Social Security programs, over \$850 billion in Social Security and Medicare trust fund surpluses have been raided and spent on unrelated areas. Last year, House Democrats and Republicans joined together overwhelmingly to pass a lockbox very similar to the one we are considering today.

Unfortunately, it was blocked from consideration by the Democrats in the other body. While we have come a long way in protecting the Social Security trust funds, protection of the trust fund surpluses is still not law. H.R. 2, the Social Security and Medicare Lockbox Act of 2001, amends the Congressional Budget Act of 1974 to create a point of order against any bill, joint resolution, amendment, motion or conference report if the enactment of such legislation would result in a raid of the Social Security or Medicare trust fund surpluses.

This measure ensures that the trust fund surpluses can only be spent on providing retirement and health security, such as reforming Medicare to provide a prescription drug benefit or reforming Social Security to provide more options to younger taxpayers. Furthermore, as a result of not spending the trust fund surpluses, the public debt will be paid down by \$2.9 trillion

over the next 10 years. Our seniors deserve to know that Congress is putting their retirement and health security first.

Among many others, this measure is supported by the United Seniors Association, the U.S. Chamber of Commerce, and Americans for Tax Reform. I encourage my colleagues to join me in supporting this critical measure.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MATSUI).

Mr. MATSUI. I thank the gentleman from Ohio for yielding me this time.

Mr. Speaker, this month we are going to have Girl Scout cookie week because you may have read in The Washington Post that Girl Scouts will be selling cookies all over the United States, particularly in Washington. For some reason Washingtonians like cookies. This proposal, the lockbox proposal, has about as much weight to save Social Security as if we would have declared this month the month in which we would honor Girl Scouts for selling cookies.

It has no relevance at all. If you want to reduce the debt, just do not spend the money. In fact, even if you try to spend the money, one way to overcome it is if in fact you just waive points of order. The real issue, and an issue that my Republican colleagues unfortunately refuse to face is the \$1.6 trillion tax cut that will probably be coming up in the next month or so. That is the real rub. That is what will endanger Social Security and Medicare in the long run.

The fact of the matter is the President is now talking about retroactively applying it. That will make the \$1.6 trillion debt \$2 trillion. Plus the loss of interest, we are probably talking about \$2.5 trillion that will be reducing taxes over the next decade. The surplus will not sustain that. The fact of the matter is as we pay down the debt with the Social Security surplus, in the next 10 years we are going to have to increase the debt in order to pay the Social Security benefits that will not be available because of reductions, because the payroll tax will not match it. And as a result of that, the debt reduction in all of this is just temporary. If you are 65 years and younger, your Social Security benefits will be in jeopardy if in fact this tax bill is passed. Because anybody 65 and younger will probably be facing a situation in the next 10 years in which we are going to have to make a decision to increase payroll taxes, reduce Social Security benefits, or increase the national debt.

The reality is that this tax cut will be the key. It is not this resolution that has no weight, no force, and is somewhat irrelevant.

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia Beach, Virginia (Mr. SCHROCK), a brand new Member of this body.

Mr. SCHROCK. I thank the gentleman from Texas for yielding time.

Mr. Speaker, I am very proud to be a lead sponsor of this legislation. Today

Congress has the ability to state our clear and unmistakable commitment to protect 100 percent of the Social Security and Medicare trust fund surpluses. Social Security and Medicare represents a sacred compact between the people and their government.

During my campaign for Congress, I listened carefully to constituents throughout my district. They told me that they wanted to make sure that when they retired, their Social Security would be there. They also wanted Congress to ensure that Medicare was solvent and would be there to help cover their medical expenses. By placing surplus trust fund moneys in a budgetary lockbox, we can pledge to all of our constituents that these funds will be available for current and future generations and pay down the national debt.

The Congressional Budget Office estimates that the Social Security surplus will be \$2.5 trillion over the next 10 years and the Medicare hospital insurance surplus will total \$392 billion. We must lock away this money from congressional appropriators and special interest groups and keep our promise to our seniors and all Americans. We have a duty to protect the money our constituents have paid into Social Security and Medicare.

If you oppose raiding the Social Security and Medicare trust fund and support securing these funds for current and future generations, then please support H.R. 2.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. McNULTY).

Mr. McNULTY. I thank the gentleman for yielding time.

Mr. Speaker, I am concerned. In the year 1980, the national debt was less than \$1 trillion. Today it is \$5.7 trillion, six times as much. I do not want to go back to the days of deficit spending. Let us look at the figures we are talking about in the budget proposal this year. We are estimating we will have a \$5.6 trillion surplus in the next 10 years. I do not trust 1-year projections, let alone 10-year projections, but let us assume that that is correct. Today we are going to vote to subtract from that the Social Security and Medicare trust fund moneys of \$2.9 trillion. In other words, we are going to say to the American people, "We are going to stop stealing the money" which we did for many, many years.

□ 1500

I think that bill will get almost unanimous support. So we are making a pledge there. That gets us down to \$2.7 trillion. Then we start talking about this tax cut. I have only heard one person say that we will be able to stick to the \$1.6 trillion. Almost everyone says it is going to cost a lot more than that. Just take the President's figure, and only subtracting \$1.6 trillion, no interest, no implementation costs, nothing else, no retroactivity, and we get down to \$1.1 trillion for the next 10 years to do everything.

There are people running around this town saying we are going to eliminate the national debt in 10 years. We are not even going to eliminate one-fifth of the national debt in the next 10 years. If you took the entire balance, and these are the administration figures, if you took the entire balance and applied it to the national debt, you would only be able to pay off one-fifth of the national debt, and there would be nothing left for any spending, for the President's programs or ours.

For the sake of our children and grandchildren, let us reduce the size of this tax cut and stay away from the days of deficit spending.

Mr. SESSIONS. Mr. Speaker, it is always wonderful when the opposition agrees with you. I appreciate that support today.

Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. GILMAN).

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I rise in strong support of this measure and urge my colleagues to join supporting it. I commend the gentleman from Texas for bringing the measure to the floor at this time.

Mr. Speaker, this measure amends the 1974 Congressional Budget Act by establishing a lockbox mechanism to make certain that the surpluses in Social Security and Medicare part A, Federal Hospital Insurance Trust Fund, from being spent on additional government programs and tax cuts.

One of the key components of this legislation is to provide for a point of order to protect Social Security and Medicare part A surpluses in the House and in the Senate against any resolution, bill, motion, joint resolution, conference report or amendment whose enactment would cause an on-budget surplus to be less than the surplus of the Medicare part A surplus for the same given year.

The legislation makes it out of order in both the House and Senate to consider any budget resolution, bill, joint resolution, conference report or amendment whose enactment would cause an on-budget surplus for any fiscal year to be less than the project surplus of the Federal Hospital Insurance Trust Fund.

Mr. Speaker, for far too long, Congress has proclaimed its desire to protect Social Security for future generations, without following through with any actions to match the proclamations of support. This legislation will provide new budget procedures and parliamentary requirements to make certain that the promises to safeguard Social Security and Medicare will be kept.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Speaker, I believe H.R. 2 is a good start, but I also do not believe that it goes far enough. I be-

lieve we all agree on the need for a lockbox for Social Security and Medicare. This bill has too many loopholes, too many keys, if you will, that can open the lockbox.

There is a lot of talk these days about surpluses, a lot of talk these days about the need for tax cuts. I support a tax cut for working families. There is not much talk, unfortunately, these days, about the debt, some \$5 trillion.

When we talk about the surplus, let us not take Social Security and Medicare into account. Let us take it off the table.

Yesterday I was in southeast Arkansas, the Delta region, one of the poorest regions in the country. People young and old were telling me that they want the politicians to keep their hands off of Social Security and Medicare.

This is a personal issue with me. You see, my grandfather died when I was a year old. My grandmother first learned how to drive a car, she got her GED, and then she went to nursing school. She is 89 now. She is blind, and she lives from Social Security check to Social Security check.

That is why I, along with the gentleman from Kansas (Mr. MOORE), have offered an alternative, a meaningful lockbox initiative that protects both the Social Security and Medicare surpluses. It is H.R. 560. It has no loopholes; it has no keys to unlock the box. That is why it is supported by the National Committee to Preserve Social Security and Medicare, the Nation's second largest senior advocacy group.

If you truly want to protect Social Security and Medicare, then take the time to compare H.R. 2 with H.R. 560. If you do that, then I am convinced we will join together, like we are here today, and do the right thing by my grandmother and by seniors all across America.

Mr. SESSIONS. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Chairman SHAW).

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I appreciate the opportunity to express my support, unconditional support, for H.R. 2, the Social Security and Medicare Lock-Box Act of 2001.

Today Social Security protects 45 million Americans and provides one out of three seniors with their primary source of retirement income. According to the Social Security Administration, 39 percent of all seniors are lifted out of poverty because of their Social Security benefits. Clearly Social Security is one of the most successful and most important Federal programs ever created that we have today.

But Social Security is in trouble. In less than 15 years Social Security will spend more than it receives in taxes. By the year 2037, the trust funds will be absolutely empty; and the program will only pay less than three-fourths of its promised benefits. One of our most important priorities this year is to put

Social Security on sound financial footing so it can continue to pay full benefits far into the future and full benefits without increasing taxes to American workers.

H.R. 2, the Social Security and Medicare Lock-Box Act, is the first critical step towards saving Social Security for all time. This legislation prevents Congress from using the Social Security and Medicare surpluses to cut taxes or increase spending. The lockbox ensures that 100 percent of the Social Security surplus and 100 percent of the Medicare surplus are used to reduce the debt, until we enact legislation to save Social Security and Medicare.

Let me repeat: the full amount will go to pay down the debt until such time as a portion of that is used to save Social Security and Medicare.

The lockbox is important for three reasons: first, it ensures that we have the money to pay for Social Security and Medicare reform once reform plans are enacted; second, it promotes fiscal discipline by forcing the Congress to balance the budget, without relying on Social Security or Medicare surpluses; finally, the lockbox reduces our national debt, resulting in higher national savings, faster economic growth, and lower interest costs for our government.

I encourage all Members to show their commitment to Social Security and Medicare by supporting this most important act and then continue to work with us on the majority side to save Social Security for all time.

There have been a number of speeches that I have heard, mainly coming from the other side, one from my ranking member on the Subcommittee on Social Security, the gentleman from California (Mr. MATSUI), likening this somehow to Girl Scout cookies.

This is very important legislation. Does this save Social Security for all time? Absolutely not. It is just a first step. It keeps us from spending the surplus, so it will be there for us to work together on, whenever we can move the minority side to come aboard with us and work to save Social Security for all time.

Is it irrelevant? Of course, it is not irrelevant. It is very relevant, because how are we going to save Social Security if we are giving the surplus away in tax cuts or in new spending programs? It locks it away.

This is the right thing to do. This is the right time to do it. This is important legislation, but it is only a first step. I would encourage all Members to come aboard with us and to vote this most important first step towards Social Security reform. It would be a tragedy not to pass this bill, and not to pass it by an overwhelming vote of well over two-thirds, the amount necessary in order to pass this under suspension.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I would commend the majority's proposal, but

for one reservation that I have. I am concerned that H.R. 2 contains a giant loophole that would allow the Medicare and Social Security surpluses to be spent for any purpose, so long as it is labeled "reform." For the record, I want to be clear the term "reform" does not and should not include new programs, such as providing a prescription drug benefit under Medicare or changing Social Security to provide for private accounts.

The gentleman from Arkansas (Mr. ROSS) and I have introduced legislation that would correct this problem by entirely preventing the use of Social Security and Medicare trust funds, without exception, except for their intended purpose.

Mr. Speaker, I ask unanimous consent to remove from the Speaker's desk H.R. 560, legislation that would correct the problems of the bill and the loophole in the bill before us today.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Kansas?

Mr. SESSIONS. Mr. Speaker, I reserve the right to object.

Mr. Speaker, what I would like to ask is if we have a copy of this bill.

The SPEAKER pro tempore. Under the Speaker's guidelines, the Chair is not able to entertain the gentleman's request to consider the bill without appropriate clearance.

Mr. SESSIONS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, retirement security is one of the most important challenges that we in Congress are going to face in the years to come. The amount of benefits provided to seniors in the not-too-distant future is going to exceed the amount of payroll taxes taken in. One of the reasons for that is because Americans are having smaller and smaller families, Americans are living longer and longer, and, under that scenario, protecting Social Security becomes absolutely essential. That is why I cosponsored H.R. 2, the Social Security and Medicare Lock-Box Act of 2001.

Mr. Speaker, what this bill does is establish a firewall to protect 100 percent of the Social Security and Medicare trust funds. Under this bill, the trust funds will not be spent on other government programs.

I think all of us know that for some 30 years or so money was borrowed out of the Social Security trust fund. Basically over the last few years, if you will recall, President Clinton said, "Let's protect 60 percent of the funds in the trust fund." The Republicans in the House said, "No, let's protect 100 percent."

For the last few years, that is what we have done. We have set aside 100 percent of those excess FICA taxes that have gone into Social Security. But setting it aside for the here and now is not enough. We need legislation for the long-term, like this bill, to ensure that we put up that firewall so that it is not borrowed again in the future.

Now, in my view, Americans deserve to know that every penny taken out of their paychecks for Social Security and for Medicare will be used to pay for benefits. This legislation will help ensure that.

Furthermore, under this bill the Social Security and Medicare surpluses will be used to pay down the public debt until Social Security and Medicare reform is enacted. This will help lower the burden of debt placed on our children.

Mr. Speaker, I urge my colleagues to pass this legislation.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, those who introduced H.R. 2 indeed had a good intent. I think all of us want to find a way to lock in the security for both Social Security as well as for Medicare. However, that bill is more illusionary than real, particularly when you compare it with H.R. 560, which the Democrats put in. It does not allow for the loophole.

This bill, therefore, is illusionary. Although well-intended, it does allow for you to spend the money on other things called "reform." But, more pressing, is to consider that if you took that off of lockbox, took it off the budget, you are assuming you can still spend that, so you say, to the contrary, that you do not want to spend it for tax cuts.

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Take \$1.6 trillion away from that, that suggestion, and we could not meet the needs of the American people and keep our commitment to lock those security funds aside.

So I urge Members to consider that this is well-intended but it will not achieve it. It is more illusory than for real.

Mr. SESSIONS. Mr. Speaker, I yield 2 minutes to the gentleman from Lexington, Kentucky (Mr. FLETCHER).

Mr. FLETCHER. Mr. Speaker, as we look back over the history of this body for 40 years, since the mid sixties we have been spending the money that individuals have paid in their payroll for Social Security and for Medicare. We have been spending it on other government programs.

I remember 2 years ago, my first year here in Congress, the gentleman from California proposed this and we began the first lockbox to set aside Social Security. I can remember some Members were making light of it and saying it was not a real lockbox, and it had a hole in the bottom of it.

That first year I was here 2 years ago we did not spend one penny of Social Security money. The lockbox worked. It kept us disciplined so we did not spend that Social Security. We did it last year with Medicare, and we are repeating it again this year.

Some folks are concerned that we have allowed the use of this Social Security money and Medicare money to

be used for reform. We have to face the fact that if we do not make some changes in improving and modernizing these programs to meet the needs of an aging population, we are going to run into serious problems. Sticking our head in the sand does not work. Using rhetoric for political reasons does not solve the problems we are going to be facing in the future.

I am proud we can support and hope we have bipartisan support for this bill to lock up both the Social Security trust fund and the Medicare trust fund for our future generations, and allow us to begin to look at improvements that will preserve these great programs for future generations.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey (Mr. HOLT).

(Mr. HOLT asked and was given permission to revise and extend his remarks.)

Mr. HOLT. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, this issue is so important to me that on the first day of the new Congress I reintroduced my legislation that the body considered last term. The legislation would prohibit the spending of any projected budget surpluses until Social Security and Medicare are made solid for today's workers and today's children.

The legislation would ensure that the projected surplus associated would be off limits to Congress and used only for retiring the publicly-held debt; no new spending, no new tax cuts until we have dealt with this matter.

I am concerned that H.R. 2 is being brought up to the floor without possibility of amendment to deal with its gaping loophole. What this legislation's loophole is is to allow a tax cut or other bill if it is presented as Social Security reform.

Mr. Speaker, most young workers do not believe that they will get a dime from Social Security or Medicare. That is why we must assign the highest priority to shoring up these programs and restoring confidence.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Speaker, I rise today in support of this legislation. Mr. Speaker, 45,351,200 persons received Social Security benefits just this past year. About 63 percent of those people were seniors.

One must ask, has Social Security had an impact in particular to our seniors? When we take a look at the reason why Social Security was put in place, it was to help those seniors not be below the poverty line when they finished their work years.

In fact, if we look even just in California, my home State, we can see that this past year 30 percent of seniors were lifted out of poverty because of their Social Security benefits. Moreover, Social Security is important for women because, as we know, women make less, and women are out of the

work force more often; they change jobs, they stay home to take care of families, so they really need this in their lean years at the back end of their lives.

I urge my colleagues to support this bill.

Mr. Speaker, I rise today in strong support of this important piece of legislation.

45,351,200 persons received Social Security benefits last year. Sixty-three percent of these people are retired workers.

We must ask ourselves, "What impact has Social Security had on our Nation's Seniors?" A study issued by the Center on Budget and Policy Priorities in Washington, DC shows that in 1997, 47.6% of the U.S. population age 65 and older would have been living below the poverty line in 1997 without Social Security benefits.

With Social Security, the poverty rate drops to 11.9%. This is a staggering statistic that demonstrates the impact of this program on our seniors nationwide.

In my home state of California, the same study showed that 43.2% of people age 65 and older would have been living below the poverty line without Social Security. Social Security reduces the number to 12.5%. Thus, 30.7% of all elders in California were lifted from poverty by Social Security.

Moreover, Social Security is particularly beneficial to women who receive 54% of Social Security retirement and survivor benefits. In 1997, Social Security benefits lowered the number of women living below the poverty line from 9.8 million to 2.7 million.

I urge my colleagues to pass this bill and establish a Social Security and Medicare lockbox. We need to pass this bill to ensure that our current and future seniors are provided the benefits they worked so hard to earn. We must continue to move forward to ensure that both programs are ready to meet the demands of the aging Baby Boom generation and beyond.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK. Mr. Speaker, I thank the gentleman from Ohio for yielding time to me.

Over 45 million seniors and over 30 million American citizens use Medicare and Social Security. At a time when we have record surpluses, we must make sure that we sustain those people and that we do what is right with the surplus. It is going to be impossible to put in a lockbox for Social Security and Medicare, and we should, and at the same time take care of health care, housing, and other needs, education, that the people of America want.

We need a lockbox, we need a tax cut, but they both must be responsible. We must save Social Security, we must protect Medicare. Let this House act accordingly and take care of the citizens of this country.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, this lockbox is leaking because the money can be used for other reform purposes. But I want to stress something else today, an inescapable big truth about

the President's economic plan. The big truth is that the President has proposed a Mother Hubbard economic plan, a plan that leaves the cupboard bare.

Here is what I mean. We have an alleged surplus of \$5.6 trillion. Today the House will vote to take \$2.9 trillion off the table. So that leaves just \$2.7 trillion for all the spending and tax relief for the next 10 years.

The President has two priorities for that money: a tax cut that will consist of \$2.6 trillion, skewed largely to the wealthy, by the way; and a missile defense system that will cost at least \$100 billion.

So that is it. It is all gone before we reach anything else. We have zero surplus for anything else; for prescription drugs, education, health insurance, zero.

Mr. Speaker, it is a Mother Hubbard plan. The wealthy get to take a tax cut picnic while the rest of this country faces an empty cupboard.

Mr. HALL of Ohio. Mr. Speaker, I yield back the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today has been, once again, an exceptional job on behalf of my colleagues in the Democrat party, as well as my colleagues in the Republican party, who have once again approached a very difficult issue with the decision that rather than sticking our heads in the sand, we are going to talk about Social Security, we are going to talk about the things that not only Social Security does for America today and the people who are on Social Security, but also a belief, an abiding belief, that we can do something to make sure it is there for the future of this country.

I would remind my colleagues that the one part about this legislation that is fabulous is that there is an exception in the legislation that any bill that saves Social Security contains this phrase, that if a Member believes that a bill does not save Social Security or Medicare, he or she can always raise a point of order against any part of that legislation.

That is one of the wonderful parts about this bill that is good for all of us. It is a matter of whether we are going to spend the Social Security, or whether we are going to save it.

RE-REFERRAL OF H.R. 2 TO COMMITTEE ON BUDGET AND COMMITTEE ON RULES

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that the bill, H.R. 2, be re-referred to the Committee on the Budget, and in addition, to the Committee on Rules.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, today I rise in support of H.R. 2, The Social Security and Medicare Lockbox Act of 2001. This legislation protects the \$2.9 trillion Social Security and Medicare Trust Fund surplus from being used for any other government spending.

More importantly, this legislation reaffirms our commitment to ensuring a safe and secure retirement for current and future generations of Older Americans.

This legislation in effect creates a security "lockbox" to ensure that the FICA or payroll taxes we pay over the course of many years of hard work are used exactly as they are intended to be used—for Social Security and Medicare. This "lockbox" ensures our money is protected.

When I came to Congress in 1994, taxes were at an all time high, the budget was out of balance, deficit spending was soaring out of control and the Social Security and Medicare trust fund was being raided to pay for other government programs. To put it bluntly, our fiscal house was in shambles.

But what a difference a few years has made. Today, I am proud that we have balanced the federal budget, paid down over \$363 billion dollars of the national debt and cut taxes, all the while protecting and preserving Social Security and Medicare.

Mr. Speaker, as we begin our work in the 107th Congress, the Federal government's projected cumulative surplus—some \$5.7 trillion dollars over the next ten years—presents us with a historic and unprecedented opportunity to continue on a bipartisan course of fiscal discipline. Let's not look back at this moment as an era of missed opportunity.

In the coming days and months, there will be plenty of time to debate what to do with the remainder of the surplus. But before we engage in that debate, we must continue paying down the debt and make clear our commitment to ensuring that Social Security and Medicare will be available to current retirees as well as for our children and grandchildren. That's three generations of Americans that we will ensure have basic retirement security by preserving and protecting Social Security and Medicare. For the past two years, Congress has put aside Social Security and Medicare taxes so these monies aren't spent on other federal programs. With this "lockbox" legislation, Congress will be making these actions a permanent part of the budget process.

Mr. Speaker, I urge my colleagues to vote in favor of H.R. 2. Let us, today, give future generations of Americans the security of knowing that Social Security and Medicare will be there for them when they most need it.

Mrs. LOWEY. Mr. Speaker, I rise today in support of H.R. 2, the Social Security and Medicare Lockbox Act.

In this fortunate time of budget surpluses, it is imperative that we use the Social Security and Medicare trust funds to ensure the long-term viability of these critical programs. If we want to be truthful in our budgeting, then these funds should not and cannot be used to pay for other priorities.

I am nonetheless concerned about some of the provisions in the bill. It is my belief that these provisions make this lockbox legislation less than iron-clad. The bill stops the raid on Social Security and Medicare Trust Fund receipts "until such time as medicare and social security reform legislation is enacted."

What this really means is that once we pass any legislation that constitutes Social Security or Medicare reform, even if the bill does not ensure the long-term solvency of Social Security or Medicare, we are free to use Social Security and Medicare Trust Fund money for whatever we choose.

The Congressional Budget Office (CBO) estimates that in the year 2012, there will be a major demographic shift in the United States. The Baby Boom generation will begin to retire and collect benefits under Social Security and Medicare. And, at the same time, the labor force will contract significantly, reducing the amount of money available to pay those benefits. As a result, the CBO projects that instead of the surpluses we now enjoy, we will suffer large budget deficits as we struggle to pay for these programs.

I support this legislation and I support the idea of Social Security and Medicare reform. But all the reform measures we pass won't mean anything unless we begin to devote resources now to ensure that there will be money available when Baby Boomers begin to retire. This bill is a good start. We need to do much more.

Mr. BENTSEN. Mr. Speaker, I rise in support of H.R. 2, the Social Security and Medicare Lockbox Act of 2001, the latest in a string of measures that the House has passed, with my support, to dedicate the Social Security and Medicare surpluses to public debt reduction until such time as the Social Security or Medicare reform legislation is enacted. Like H.R. 5173, which we passed overwhelmingly in September 2000, H.R. 2 would remove the Social Security surplus from the budget totals for the purposes of developing both the Congressional budget and the President's budget. H.R. 2 would also require the President's budget submission to include a detailed proposal for Social Security or Medicare reform legislation if it recommends an on-budget surplus for any fiscal year that is less than the surplus projected for the Medicare HI trust fund.

My support for H.R. 2 is not without reservations. I am disappointed that the Republican Leadership rushed this bill to the floor, it was introduced last Thursday (February 8, 2001), bypassing consideration in the committees of jurisdiction, including the House Budget Committee. Had H.R. 2 been properly considered in the House Budget Committee, I would have asked what protections are in place, under the bill, to prevent tax cut bills from gaining access to lockbox funds, simply by holding themselves out as Social Security or Medicare reform bills.

Additionally, as a longtime advocate for protecting Medicare, as well as Social Security, I am pleased to see the Republican Majority has joined me in recognizing the need to protect the Medicare surpluses from being used to finance tax cuts. While H.R. 2 would create points of order against spending and tax legislation that would cause a reduction in the portion of projected budget surpluses equal to Medicare trust fund surplus, I am, however, troubled that it stops short of taking Medicare "off-budget." H.R. 2 only requires on-budget surpluses to be at least as large as any surplus in Part A of Medicare. At this time, with Congress abuzz with talk of tax cuts and incomprehensible surpluses, it is more important than ever that Medicare be taken off-budget.

Accordingly, Mr. Speaker, I urge my colleagues to not only join me in taking this step to secure Medicare but to also go further and take Medicare off-budget.

Mr. UDALL of Colorado. Mr. speaker, I will vote for this bill, in the hope that its other supporters are as serious as I am about protecting Social Security and Medicare.

Of course, that is what this bill is supposed to be about. But I think anyone who gives it a careful look will understand why I have my doubts.

On the one hand, the bill would establish the principle that Social Security and Medicare are to be off-limits when Congress makes decisions about federal revenues. It would do that by making it against the rules to consider measures that would invade the Social Security or Medicare surplus. Its sponsors say that this will put both Social Security and Medicare into a "lockbox" to keep them safe.

However, on the other hand there is some fine print in this bill suggesting that this "lockbox" is not all that secure.

In fact, when you read the bill carefully, it looks like this "lockbox" is more like the treasure cave in the story of Ali Baba and the Forty Thieves. Remember, the secret to opening that treasure cave was to know the passwords—"open, sesame." Well, it's exactly the same story here except that for this "lockbox" the passwords are "Social Security reform legislation or Medicare reform legislation."

Those are the passwords because under this bill the new rules to protect Social Security and Medicare will not apply to any bill that includes them.

If you doubt that it is that simple, just read the bill.

First it says that we will have these new rules—but then it says they "shall not apply to social security reform legislation or medicare reform legislation." And it defines "medicare reform legislation" as a bill that "includes a provision stating the following: For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes medicare reform legislation" and also defines "social security reform legislation" as a bill that "includes a provision stating the following: For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes social security reform legislation."

So, regardless of what else may be in a tax bill or a spending bill, if it includes those magic words the new rules won't apply—because those are the passwords that will open the "lockbox."

Is it any wonder that some of us have our doubts about whether the "lockbox" is real? Is it any wonder that we have some fears about the reliability of this promise to protect Social Security and Medicare?

Still, Mr. Speaker, today I will be guided by my hopes, not my fears.

I will vote for this bill, and I will hope that the promise of its title—"The Social Security and Medicare Lockbox Act" is not a false one.

But, to rephrase Ronald Reagan, I think that the best policy is to hope now—by voting for this bill—but when the tax and spending bills come, to verify by making sure that we fulfill the promise of protecting Social Security and Medicare for the future.

Mr. NETHERCUTT. Mr. Speaker, The Social Security and Medicare Lock Box Act locks away the entire \$2.9 trillion Social Security and Medicare surpluses, protecting it from increased government spending and tax cuts. I am proud to be part of the first Congress in thirty years which paid all the government's bills without raiding the Social Security Trust fund. This legislation guarantees that we continue to protect the surplus by creating a "lock box" which ensures that the surplus can be used only to pay beneficiaries.

Though the prognosis for the Social Security trust fund has improved with the strong economy, Social Security is still scheduled to begin drawing on the surplus by 2015 and the trust fund will be exhausted by 2037. It is Congress's duty to ensure that the surplus is there for senior citizens while we work to reform the program for future generations. I am proud to support the Social Security and Medicare Lockbox. Senior citizens, as well as all Americans deserve to know that their benefits will be there for them when they retire. I urge my colleagues to support this important legislation.

Mr. GREEN of Texas. Mr. Speaker, I rise today in support of H.R. 2, the Social Security and Medicare Lockbox Act. This legislation aims to protect the Social Security and Medicare trust funds by establishing points of order against bills that would produce a deficit in the non-Social Security portion of the budget.

While this legislation won't do any harm, it certainly won't do any good. There are gaping loopholes in this legislation which would allow for raiding the trust funds if it is done under the cloak of "reform." But this bill is not serious about either reforming or protecting the Social Security and Medicare trusts funds.

In a few short years the baby boom generation will start to retire. The addition of these 75 million Americans is a looming threat to the Social Security and Medicare programs. Congress must act now to ensure the long-term solvency of these valuable programs. This bill is not a serious, long-term solution for our problems. Congress must make some very careful choices in the coming months about our budget surpluses, and how best to use them.

Anyone reading the papers in the last couple of days knows where the president stands on tax-cuts. Now, I support broad tax cuts. I think that we in Congress can work together to relieve the tax burdens of Americans. But I cannot support a tax-cut plan that endangers our economic stability, or the futures of the Social Security and Medicare programs.

According to some estimates, the president's plan could cost as much as \$2.3 trillion over ten years. That's almost eighty-five percent the projected on-budget surplus. This plan leaves almost nothing behind to pay down the national debt, strengthen our national defense, improve our children's education, or, as we're aiming to do today, ensure the solvency of Social Security and Medicare.

Mr. Speaker, I assure you that this legislation will pass almost unanimously. All Members of Congress can agree that Social Security and Medicare funds should be spent only for those purposes, or for the purposes of paying off the national debt. But it's time to make some tough choices about the on-budget surplus, and whether or not Congress is serious about protecting Social Security and Medicare. We must do more than pay lip-service to these programs. It's time to put the on-budget surplus money where our mouth is.

Mr. LAFALCE. Mr. Speaker, I rise in support of H.R. 2, the Social Security and Medicare Lock-Box Act of 2001. In the midst of tax cut fever, when the federal government seems to be awash in black ink, this legislation serves as a sobering reminder that we are, in fact, facing a fiscal time bomb within the next twenty years. With the retirement of the baby boomer generation, we will face an unprecedented fiscal challenge, created largely by the demands on social Security and Medicare.

The Social Security and Medicare Lock Boxes draw a line in the sand, saying that, if we are to fund a large tax cut this year, then we must do so without raiding the Social Security and Medicare Trust Funds. Establishing this imperative for the current tax cut debate is absolutely critical. In recent weeks, some Republicans have been inching away from the commitment to protect the Medicare Trust Fund, led by statements from the Administration. But it is clear that Medicare faces the same long-term funding problems that face Social Security. In fact, Medicare will face them sooner than Social Security. Raiding the Medicare Trust Fund to pay for tax cuts, then, should be absolutely unacceptable to this Congress.

Some might argue that it is unreasonable to allow concerns of 20 years hence to have too much influence over today's policies. But this kind of thinking is akin to a family facing a balloon mortgage payment who nonetheless budgets nothing for it, and worse yet, goes on a spending spree in the years leading up to the balloon payment. Lest anyone doubt that we are facing a long-term fiscal crisis, consider this: today, the United States has 5 workers supporting each of its retirees; by 2030, we will have just 2 workers for every retiree. The fiscal implications of this demographic shift are enormous, and easily overwhelm the surplus numbers we have been debating the past few weeks.

Mr. Speaker, today's legislation is a good first step in acknowledging the true fiscal outlook. I hope we will also recognize the true costs associated with meeting the full obligations of Social Security and Medicare to all of tomorrow's retirees—costs that are daunting no matter what versions of Social Security and Medicare reform you favor. In recognizing these costs, it should be clear to everyone that the President's tax plan is simply not affordable.

Mr. CRENSHAW. Mr. Speaker, today, I am proud to join my colleagues in strong support of the Social Security and Medicare Lockbox Act.

We have a surplus of \$5.6 trillion. And, \$2.9 trillion of that surplus is money that people expect to be there for them when they apply for their Social Security and Medicare benefits.

For the past several years, Congress has locked these trust fund surpluses away through sound fiscal management, despite the absence of a passed lockbox bill. But the American public understands that passage of actual lockbox legislation is a solemn pledge between the Congress and the people that we will not touch those surpluses. And, we should make that pledge to our constituents.

Given the strength of the non-trust fund surplus—\$2.7 trillion—we can well afford to do this and still meet the other needs of our constituents—providing them with much needed tax relief, paying down the debt, and reinvesting in important priorities like defense and education.

I am proud to be an original cosponsor of this legislation, and I urge my colleagues to pass H.R. 2 with a strong bipartisan vote.

Mr. WATTS of Oklahoma. Mr. Speaker, I rise today in strong support of the Social Security and Medicare "Lockbox" Act. This bill locks up the \$2.9 trillion surplus from the Social Security and Medicare trust funds by prohibiting their use for non-Social Security purposes. As a result, it ensures that Congress

will always devote 100 percent of the Social Security and Medicare surpluses to only those retirement programs.

Today, millions of elderly and disabled Americans rely on Social Security and Medicare to provide them with income, basic health insurance coverage, and retirement security. In fact, Medicare provides significant health insurance coverage for 39 million aged and disabled beneficiaries. Therefore, we need to make sure that our seniors receive these much needed services and benefits in the most efficient manner possible.

Because I believe that every working American should know unequivocally that Social Security and Medicare will be there for them when they retire, I am committed to making seniors a top priority by taking the necessary steps to improve their quality of life. Beginning with the Lockbox initiative, Congress can help protect our nations elderly from fraud and abuse, inadequate and poor health care services, and a false sense of retirement security.

After all, our seniors are a national resource that must be preserved to the best of our abilities. therefore, I urge you to join me in securing a future for our seniors by voting in favor of the Lockbox.

Mr. ADERHOLT. Mr. Speaker, I am pleased to join the gentleman from Texas as a cosponsor of H.R. 2, the Social Security and Medicare Lockbox Act of 2001.

Although today, the Social Security program is able to meet its requirements, we face the problem of fewer workers who pay into the Social Security system, while at the same time, the number of retirees eligible for Social Security benefits continues to increase.

I believe Congress and the new Administration can work together to safeguard and strengthen the integrity of the Social Security program. Our Nation's seniors rely on Social Security for approximately 40 percent of their income. Many depend on it for more.

Without a lockbox, approximately \$2.9 trillion in projected Social Security and Medicare Part A surpluses over the next ten years could be spent on programs and initiatives which may do little, if any, to protect our Nation's seniors. H.R. 2 will ensure that these surpluses will be used only to strengthen Social Security and Medicare. Furthermore, protecting Social Security and Medicare makes it easier for the Treasury Department to reduce the public debt.

Mr. Speaker, I urge my colleagues to join me in passing H.R. 2.

Mr. SIMMONS. Mr. Speaker, I rise today in strong support of the Social Security and Medicare Lockbox Act of 2001.

For too many years, the Social Security and Medicare Trust Funds have been raided to pay for other government programs. This longstanding practice has jeopardized the solvency of two programs that millions of Americans depend on.

Today this practice will end.

Today, Republicans and Democrats will come together to stop the raid and commit to protecting 100 percent of the Social Security and Medicare Trust Fund surpluses, providing retirement and health security for our parents, our grandparents, and hopefully some day for our children.

All Americans deserve a Medicare and Social Security system that rewards their hard work, increases their independence and secures their future. H.R. 2 is a step toward this important goal.

I am proud to be an original cosponsor of the Social Security and Medicare Lockbox Act and ask that my colleagues join me in supporting this important piece of legislation.

Mr. STARK. Mr. Speaker, I rise in strong support for the purported purpose of this legislation before us today. We can and should "lockbox" our Social Security and Medicare surpluses so that monies put into them by the working people of America are used as they were intended—to provide financial and health security for them in their senior years or if they become disabled—not to provide a tax break aimed mostly at those with upper incomes.

Unfortunately, the bill before us today talks the talk, but fails to walk the walk.

This bill will not guarantee that either the Social Security or Medicare surpluses are protected from being used to finance tax breaks or any other government spending.

While the bill states that it protects Medicare and Social Security trust funds, it creates a giant exception that if a bill is brought up on the House floor that contains the words "Social Security reform legislation" or "Medicare reform legislation," then the protections for either trust fund no longer exist. It doesn't define what would constitute "reform" of either program. It would be very simple for anyone to circumvent the stated intent of this bill by simply referring to legislation as either Medicare or Social Security reform and then the protections against using the trust funds would be overridden. I could see the argument that a "Star Wars" missile defense system will protect seniors—therefore it is a Medicare reform.

The legislation contains a further loophole that allows the President to dip into the Social Security and/or Medicare surpluses in any budget he presents to Congress as long as the budget claims to reform each of the programs.

The public should not be fooled one moment. President Bush is pushing a tax cut proposal in Congress that he admits costs \$1.6 trillion. The unstated reality is that the proposal costs \$2.5 trillion by the time you count all of the pieces that he's left out of his early version, but that will be included in the end. The entire surplus over the next ten years—if you really protect Medicare and Social Security surpluses—is \$2.7 trillion (and even that figure is highly speculative).

What am I leading up to? There is no way that this tax cut package can pass Congress and get signed into law in a way that leaves money for other government priorities like education, Medicare prescription drug coverage, improved Medicare solvency, or Social Security reform without putting the Medicare and Social Security trust funds on the chopping block.

Anyone who believes otherwise is fooling themselves and passage of this legislation today does nothing to change that fact.

Larry Lindsey, President Bush's chief economic advisor has already been asked whether government should dip into the Social Security surplus to make room for tax cuts and he responded: "It's a question that needs to be asked."

President Bush's Director of the Office of Management and Budget Mitch Daniels has already stated with regard to protecting the Medicare trust fund from any other use that he would be: "very hesitant to treat those funds in the same way as we do in Social Security where I think it is in order."

A February 5 Wall Street Journal article states that, "The Bush Administration also won't wall off Medicare's current surpluses in a 'lockbox' . . . In fact, Mr. Daniels has said he's told his staff not to talk about a Medicare surplus."

Finally, Senate Majority Leader TRENT LOTT has yet to make a commitment on a Medicare lockbox. A recent BNA Daily Report for Executives, asked him about whether he'd decided to lockbox Medicare and he responded, "We're going to think that through."

I will vote for this legislation today. But, I do so with the firm knowledge that my vote—and that of every other member of the House of Representatives—really means nothing about whether we stand for protecting the Medicare and Social Security surpluses for their intended purposes. I hope that the weaknesses of the legislation are not intended and that this vote is a good faith commitment by my colleagues on the other side of the aisle to protect both the Social Security and Medicare surpluses from use for tax cuts or any other new spending. If that commitment is real, we've got a tough job in front of us to ensure that the upcoming tax cut debate doesn't absorb all available government monies—in addition to the Medicare and Social Security trust funds.

Mr. THOMAS M. DAVIS of Virginia. Mr. Speaker, I rise today in strong support of H.R. 2, the Social Security and Medicare Lock Box Act of 2001. I would also like to thank my colleague, Congressman WALLY HERGER, for taking the lead yet again in ensuring that common-sense measures are taken to preserve the Social Security and Medicare Part A programs for our senior citizens.

Currently, both the Social Security and Medicare Part A programs take in more revenue through taxes and premiums than they pay out in benefits. This has resulted in large surpluses in both Trust Funds, estimated to be \$157 billion for Social Security and \$29 billion for Medicare. However, as the Baby Boom generation reaches retirement age, the situation changes significantly. Over the coming years we will see a decrease in the ratio of workers to beneficiaries from 5-to-1 to 2-to-1, causing a precipitous decline in the amounts held in both Trust Funds. By the year 2037, it is estimated that the combined Social Security Trust Funds will be depleted, with revenues only sufficient to pay about 72 percent of benefits. The situation for Medicare is even more dire, with the Part A Trust Fund projected to be depleted by 2025.

We cannot simply put off the difficult decisions for a later day. It is clear that we can enact significant reforms now that are necessary to keep Social Security and Medicare solvent for the future. It is also evident that while this is a challenging task in and of itself, it will be even more difficult, if not impossible, if we allow the surpluses that we currently have to be raided for other government spending. To this end, H.R. 2 creates a lockbox by creating a point of order against any bill, joint resolution, amendment, motion, or conference report that would raid either the Social Security or Medicare Trust Fund. This lockbox ensures that the Trust Fund surpluses will only be used to further pay down our national debt or to strengthen these vital programs for our children and grandchildren. This is a modest, common-sense step to help preserve social security benefits for future retirees.

We have an obligation to keep our promises to our senior citizens. They have paid into Social Security and Medicare over the course of their working lives in the expectation that these benefits would be there to help support them in their later years. We do them a severe injustice if financial mismanagement on our part robs them of the security they deserve. By approving H.R. 2, we will show the American people that we remain committed to saving these invaluable programs. It is for this reason that I urge my colleagues to lend it their full support.

Mr. SCHIFF. Mr. Speaker, I rise in support of the Social Security and Medicare Safe Deposit Lockbox Act.

Passage of this legislation will make certain that the Social Security and Medicare surpluses are protected in a "lock-box" and are not affected by spending increases and tax cuts. However, the Medicare surplus is not taken off-budget by this bill and therefore is not ensured the same protection as the Social Security surplus under current budget rules. This is a critical flaw in this bill and I do not believe that H.R. 2 alone will solve the long-term challenges facing Medicare. Nevertheless, I support passage of the Social Security and Medicare Safe Deposit Lockbox Act of 2001 and will remain committed to protecting these surpluses.

I believe it is absolutely essential that we maintain our fiscal discipline and continue paying down our debt. We must provide resources to deal with long term problems facing Social Security and Medicare, while making room for targeted tax cuts and investments in priority programs.

I am also proud to have joined my colleagues, MIKE ROSS and DENNIS MOORE, in introducing H.R. 560, a bill that would take Medicare off-budget, giving it the same protected status as Social Security, and would lock away Medicare surpluses unless they are to be used for current Medicare programs. While I support the bill before us, our bill has a much stronger enforcement mechanism and would be even more difficult, if not impossible, to violate.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. SESSIONS) that the House suspend the rules and pass the bill, H.R. 2, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SESSIONS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 6 p.m.